

In his most recent budget, Mr. Bush requested \$991.6 billion for the wide range of military and domestic programs subject to annual appropriations. Mr. Conrad said the agreement would provide “about \$20 billion” more than the president requested for those accounts.

It would be interesting to see how CDBG, HOME, and EDA fare under the Democratic alternative. Bush proposed additional cuts of 20% for CDBG in his budget.

May 14, 2008

NEW YORK TIMES

Budget Deal in Congress Tops Request From Bush

By [ROBERT PEAR](#)

WASHINGTON — Senate and House Democrats said Tuesday that they had reached a tentative agreement on a budget blueprint that embodies their priorities and sets spending levels somewhat higher than President Bush had requested.

Senator [Kent Conrad](#), a North Dakota Democrat who is chairman of the Senate Budget Committee, said the measure could be approved by both houses next week.

The blueprint would bring the [federal budget](#) into balance in 2012 and keep it in balance in 2013.

If approved by both houses, the agreement would be a significant political achievement for Democrats. Lawmakers have found it difficult to reach such agreements in election years. But Democrats said they were likely to defer tough decisions on the details of spending and taxes until after the elections.

The budget blueprint is for the guidance of Congress. It is not submitted to the president for his approval and does not become law. It sets a framework for action by Congress on programs and appropriations bills.

The agreement rejects Mr. Bush’s effort to squeeze major savings out of health programs. The president estimated that his legislative proposals would have saved \$178 billion in [Medicare](#) and \$17 billion in [Medicaid](#) in the next five years.

Senator [Judd Gregg](#) of New Hampshire, the senior Republican on the Budget Committee, said it was irresponsible for the Democrats to brush aside all the proposals for Medicare savings. It makes sense to require high-income Medicare beneficiaries to pay more for prescription drug coverage, as the president proposed, Mr. Gregg said.

Representative John M. Spratt Jr., the South Carolina Democrat who heads the House Budget Committee, said, “We have reached an informal agreement with the Senate on all the major issues and should be able to pass the budget before Congress goes home for Memorial Day.”

Mr. Spratt said the agreement assumed another year of relief from the [alternative minimum tax](#) and a continuation of “middle-class tax cuts” that would otherwise expire in the next few years. The alternative tax, originally directed at high-income people, is

not indexed for inflation and has therefore increased taxes for a growing number of middle-income people.

In his most recent budget, Mr. Bush requested \$991.6 billion for the wide range of military and domestic programs subject to annual appropriations. Mr. Conrad said the agreement would provide “about \$20 billion” more than the president requested for those accounts.

The agreement includes \$7 billion for highway and bridge projects intended to stimulate the economy, Mr. Conrad said. But it would apparently not provide money for an extension of unemployment insurance benefits, sought by many Democrats.

The agreement assumes that the government will collect substantial new revenues, but does not identify the sources.

Mr. Conrad said the agreement did not specify the fate of tax cuts that primarily benefit high-income taxpayers. Congress could secure additional revenue by allowing some of those tax cuts to expire, restricting the use of offshore tax havens, shutting down abusive tax shelters or finding ways for the Treasury to collect more of the taxes owed under current law, Mr. Conrad said.

The budget agreement does not instruct Congressional committees to come up with legislation changing revenues or spending. Such legislation is considered under special rules and, in the past, has been a vehicle for major changes in tax law and entitlement programs.

Several moderate Republican senators, whose votes are needed for passage of the budget blueprint, objected to use of those procedures, which enhance the power of the majority party at the expense of the minority.